Saskatchewan
Tourism and
Small Business

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Minister

A Saskatchewan Tourism Development Strategy

A Synopsis

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INTRODUCTION

The following document is a synopsis, prepared by the Department of Tourism and Small Business, of the findings and conclusions of a year-long study to determine a development strategy for Saskatchewan's tourism industry.

The Governments of Canada and Saskatchewan engaged a consulting team to carry out preparation of this Tourism Development Strategy.

In its present form, the document should be considered as a discussion paper. While it is not an indication of federal or provincial policies, it reflects the views of government at all levels, as well as that of the private sector.

This document provides a brief overview of the Saskatchewan tourism industry's current status as well as highlighting the opportunities for expanded economic growth through tourism development.

Comments to the document and its recommendations are welcomed.

WHY TOURISM?

It's a Major Industry

Tourism is among the fastest growing industries in the world, and is a key 1 billion dollar provincial industry.

It is receiving more and more recognition and attention for its economic and social benefits by governments everywhere.

Tourism is defined as "the business of attracting and servicing the needs and expectations of visitors". In this sense, visitors are those individuals, families or groups who are travelling more than 50 miles from home, whether for business or pleasure or both.

The tourism industry is that part of the service sector which provides products and services to visitors. Accordingly, the tourism industry includes a wide variety of businesses and organizations such as: hotels, motels, restaurants, night clubs, airlines, bus lines, service stations, retail outlets, community events organizations, professional and amateur sporting organizations, culture organizations as well as parks and recreation services, to name only a few.

WHY TOURISM?

It's Largely Made Up of Small Businesses

Small business has always been an engine for growth in the province and currently is the sector where the greatest growth in investment and employment is occurring. There are over 2,000 small businesses involved in Saskatchewan's tourism industry.

It Creates Jobs

Over the last decade, the tourism industry has created an annual average of nearly 2,000 jobs in Saskatchewan and, at its present level, provides 31,000 direct and indirect jobs in the province.

In North America many economic experts suggest that, by the year 2000, the tourist industry will be the largest single employer on the continent.

Because of these trends and the fact that the industry characteristically generates a high number of jobs, it is expected that there will continue to be a large demand in the province for highly-trained individuals such as chefs, hotel and restaurant managers, marketing and sales professionals, travel agents, waiters and waitresses.

WHY TOURISM?

Economic Benefits

As An Export Industry, tourism provides a cash flow into the province.

Tourism helps to provide business opportunities in small communities where other industries may not be viable and therefore provides a broader distribution of economic benefits to the province.

- Tourism provides as much employment as the manufacturing industry and exceeds employment levels of mining and other resource sectors.

- For every 1 million dollars in tourism expenditures spent in Saskatchewan, 45.3 person-years of direct and indirect employment are created.

- The tourism industry also generates significant tax revenues for government. These tax revenues help to pay for important public services and programs and contribute to the social and economic well-being of the province.

It is important, therefore, that governments, at all levels, invest in the tourism industry to help make it stronger, to help create new jobs and to help maintain our high quality of life.

WHY TOURISM?

Social Benefits

The tourism industry, by its nature, has tremendous social benefits. Continuation of Saskatchewan's high standard of living can be achieved through tourism growth, not only by providing some revenue for public programs and services, but also in providing improved leisure, recreation and travel opportunities. For example:

- Cultural and historic resources, events and attractions provide us with a greater awareness and appreciation of our people, our heritage, and culture.

- Recreational facilities, coupled with local events, provide us with an appreciation of our communities and opportunities for greater and more diverse recreational and educational experiences.

- Natural attractions provide us with a greater awareness and appreciation for our diverse physical features and wildlife that characterize our province.

- Transportation and travel routes provide us with the means to convey and share these experiences and our resources with those beyond our boundaries and with those within our own province.

In summary, a strong tourism industry gives our province a good image not only as a place to live, but also a place to visit, to invest, and to do business in. As we support the tourism industry and encourage its development, we all benefit, through more jobs, a better quality of life and a brighter economic future.

CAN WE BUILD A STRONGER SASKATCHEWAN TOURISM INDUSTRY?

In 1983/84, the Governments of Canada and Saskatchewan jointly commissioned a team of consultants to examine the Saskatchewan tourism industry and to recommend a development strategy for the industry. This consulting team included Derek Murray Consulting Associates, Marshall Macklin Monaghan, and Thorne Stevenson and Kellog.

The consultants recently delivered their report. The report examined Saskatchewan's tourism markets and its tourism resources as well as the constraints and opportunities which the industry needs to address in developing tourism in the province.

Industry representatives who were extensively consulted indicated a strong need for a strengthening of the industry and saw a strategy as a desirous approach. That same view was also echoed to the consultants by all levels of government.

The consultant's report concluded that it was indeed possible to develop a stronger tourism industry.

A copy of the executive summary of the strategy is available to the public.

CAN WE BUILD A STRONGER SASKATCHEWAN TOURISM INDUSTRY?

What is a Strategy?

The Tourism Development Strategy is a statement of broad goals, and objectives outlining a general course of action for the growth and development of the tourism industry. It is intended as a framework toward the establishment of priorities, for development, program formulation and management procedures. The framework then, is sufficiently broad in scope and flexible in approach to provide a general course of action that builds upon opportunities, overcomes constraints and addresses directly our market prospects. It reflects the desires of both government and the private sector. Finally, it is cognizant of local community aspirations and initiatives.

The Constraints

In the consultant's opinion the development of a stronger tourism industry in Saskatchewan requires that a number of basic problems be addressed. A workable strategy framework must recognize that there are several constraints to our industry's development potential which must be neutralized or overcome if we are to be more successful in developing tourism.

The major constraints noted in the consultant's report were as follows:

- Saskatchewan residents hold a negative image of their own province as a vacation destination and, as a result, tend to leave the province to vacation more so than do residents of other provinces.

● The province lacks overall industry organization, even though there are many individual tourism-related interest groups. Organization structures require development, improvement and coordination at the municipal, regional and provincial levels. Organizations that do exist have received little support from all levels of government and from the industry itself.

● While Saskatchewan attracts a large number of trips each year, the expenditures made by tourists on these trips is one of the lowest in Canada.

● A very large percentage of Canadian visitors to the province are simply passing through en route to destinations in other provinces, and do not stop to take advantage of travel opportunities which exist in Saskatchewan.

● While Saskatchewan contains some very scenic landscapes, there is no organized, rational system of linkages between our main travelled routes and our best natural (scenic) resources.

● Our urban centres are perceived as under-developed in terms of their ability to provide high quality urban tourism experiences, such as theatres, night life, restaurants, museums and so forth. Relatively few municipal and limited provincial planning efforts have focused on or specifically addressed tourism development initiatives which are required in our cities.

- While relatively sufficient volumes of visitors have been attracted, aggressive marketing efforts at most levels of both industry and government have been limited.

In summary, major destination attractions which will attract, satisfy and hold tourists, are lacking. There has been only limited product development and, where it has occurred, it has not kept up with current market demands.

The Opportunities

In addition to some obstacles to overcome in building a stronger tourism industry, Saskatchewan also has many opportunities on which it can build that offer the potential for attracting significant markets on a four-season basis. Some of the opportunities noted by the consultants include:

- The province's vast natural wilderness and wildlife resources are significant attractions which would appeal in both diversity and uniqueness to an international market. Our park's and outdoor recreation opportunities are rated very highly by residents and non-residents alike.

● Our cultural and historic resources are diverse and, in many cases, of national significance. They offer great potential as tourism attractions and travel generators. The 1885 Rebellion and formation of the Northwest Mounted Police are only two examples.

● Saskatchewan communities host many events which generate significant levels of tourism impact. These community events are potentially some of the province's strongest tourism attractions. The Canadian Agribition and Western Farm Progress Show are two relevant examples of highly successful community events.

● Our two major centres, Regina and Saskatoon, serve as the best links to our out-of-province markets. Both have a variety of services and attractions that they can potentially offer both pleasure and business markets on a four-season basis.

● The province's extensive road system has a number of key entry points to provide access to the province from neighbouring markets. It also contains the potential for linking these markets to our best attractions and resources.

● Raising the awareness level of tourism's importance to our province will create a more dynamic destination image, as well as presenting a stronger image to key out-of-province travel markets.

CAN WE BUILD A STRONGER SASKATCHEWAN TOURISM INDUSTRY?

- Saskatchewan has significant visitor volumes to support product development. With existing trends suggesting shorter vacations closer to home, we can develop our immediate major markets, resulting in higher trip expenditures.

In summary, through the best utilization of our resources, we have significant opportunity to develop major destination attractions throughout the province and the opportunity to benefit from aggressively marketing Saskatchewan.

The Strategy Goals

Based on this analysis of constraints and opportunities, the consultants recommended three primary goals which should be pursued by the Saskatchewan tourism industry and those agencies of government which provide program support to the industry.

By resolving constraints and building on identified opportunities we will achieve these goals.

1. Through <u>product development</u>, we can improve or develop new <u>travel generators</u> - those attractions and events that together create destination areas. This will help to <u>increase the general level of trip expenditure</u> made in Saskatchewan.

2. By increased and more aggressive marketing efforts, or further marketing enhancement, we can increase Saskatchewan's share of non-resident travel from its key markets.

3. Through awareness activities and greater support for industry organizations, we can improve Saskatchewan's image as a destination for business and pleasure travel.

While significant public investment would likely be required at the outset to support private initiatives, the private sector will eventually create greater investment and foster industry development on its own.

Based on wide industry consultation, it is the view of industry, government and the consultant's that it is indeed possible and desirable to build a stronger tourism industry in Saskatchewan.

IF SO, HOW CAN WE BUILD A STRONGER TOURISM INDUSTRY?

Using the framework and goals of the tourism strategy, all those involved directly and indirectly have a role to play. Only by a concerted cooperative effort by both industry and government can the goals be achieved, and a stronger tourism industry be built.

The strategy has identified a number of needs to develop our tourism resources. Additional and more specific needs will continue to develop through ongoing work and the combined efforts of various levels of government and the private sector. The consultants recognize that specific ideas for investment and/or program implementation would still require further feasibility analysis.

A number of publicly-funded program initiatives are required to support tourism industry development.

1. Programs to encourage <u>product development</u> including the growth and development of key attractions - both urban and rural; parks and recreation development; scenic travel corridors; community events and wilderness area development.

2. Increased <u>program development to enhance a more positive image</u> of Saskatchewan and to create an awareness in non-resident markets of the travel opportunities available and cooperative support for industry marketing efforts.

3. Support or assistance for industry and tourism organizations to develop an integrated, coordinated approach to tourism development at the community, regional and provincial level.

The Tourism Development Strategy has identified areas in the industry, as well as anticipated needs that will follow, where assistance could be provided. New and existing programs can be directed toward achieving the main goals of the strategy. Some programs have already been implemented.

- To assist industry participants to assess their needs in terms of market potential or financial resources, the Department of Tourism and Small Business has an excellent data base and organizational structure that can respond to development initiatives.

- The Tourism Marketing Assistance Program provides financial assistance to industry organizations with strategic marketing plans, to undertake marketing, promotion and advertising activities.

- The provincial government's policy of providing developable crown land for sale or lease, provides an opportunity for viable four-season resort development to take place.

- New investment opportunities are being identified in provincial parks through the Department of Parks and Renewable Resources in conjunction with Tourism and Small Business.

IF SO, HOW CAN WE BUILD A
STRONGER TOURISM INDUSTRY?

- The Venture Capital Program provides the opportunity for investors to receive tax incentives, thereby stimulating investment opportunities in the area of tourism. This will be particularly effective for smaller communities.

- Credit unions provide loans to businesses at fixed interest costs up to a five-year term under the Fixed Rate Financing Program. The program alleviates the burden of unstable interest rates on small businesses.

These are some of the examples or programs brought forward by the provincial government that will aid in strengthening the tourism industry.

More programs and funding will be required to support the industry. Over the last year a major initiative of the Province, with the cooperation of the Federal Government, has been to formulate a federal-provincial Tourism Sub-Agreement. This Agreement will form a major commitment from both levels of government, toward developing Saskatchewan's tourism industry.

The Sub-Agreement is structured to provide major assistance in three main areas - Product Development, Marketing Enhancement and Support to Industry Structure. These main program areas are directed at implementing the main strategy elements recommended by the consultants and at achieving the principle goals identified in the strategy.

IF SO, HOW CAN WE BUILD A STRONGER TOURISM INDUSTRY?

While the major program elements are identified under the $30 million Sub-Agreement, some time will be required to prepare the specific guidelines and procedures before the Sub-Agreement can be implemented.

With the existing programmes as shown, and the anticipated new program initiatives, the future of tourism in Saskatchewan looks bright.

For further copies of this synopsis or the more detailed Executive Summary of the consultants study, please contact:

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